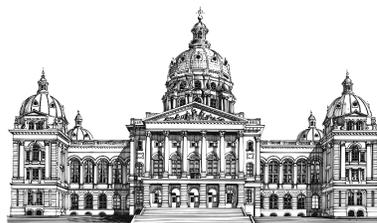

Iowa Legislative Fiscal Bureau

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State Capitol
Des Moines, IA 50319
August 24, 1993

Iowa Groundwater Protection Fund

ISSUE

Since the inception of the Iowa Groundwater Protection Fund in FY 1988, a total of \$64.1 million has been raised by various groundwater protection fees, while \$55.8 million has been expended on programs financed through the Fund's 5 accounts.

AFFECTED AGENCIES

Department of Natural Resources
Department of Agriculture and Land Stewardship
Department of Public Health
Regents Institutions

CODE AUTHORITY

Chapter 455E

BACKGROUND

Iowa's Groundwater Protection Fund was created in HF 631, the Iowa Groundwater Protection Act, as passed by the 1987 General Assembly. The Groundwater Protection Program created 5 separate accounts, each with its own funding mechanism, and each with its own set of programs. Those accounts are:

- Storage Tank Account
- Oil Overcharge Account
- Household Hazardous Waste Account
- Agriculture Management Account
- Solid Waste Account

CURRENT SITUATION

Attachment A shows the revenue, expenditure, and ending balance history of each of the accounts of the Groundwater Protection Fund. The FY 1993 ending balance for the accounts of the Fund is \$8.9 million, up from the FY 1992 ending balance of \$7.4 million. The FY 1993 ending balance represents 13.9% of the total money collected by the Fund since its inception.

The 1991 General Assembly, acting on a recommendation by the Governor, removed \$1.9 million from the Fund for deposit to the General Fund because the money was unspent and unencumbered at the close of FY 1991. Since the removal of the unspent and unencumbered funds, the ending balance of the Groundwater Fund has increased by \$1.6 million.

The Programs contributing the largest portions to the ending balance include:

- Rural Well Testing and Closure - \$1.8 million
- Landfill Alternative Grants - \$3.7 million
- Hazardous Waste and Recycling Programs (\$.75 surcharge) - \$1.5 million
- Household Hazardous Waste - \$1.1 million

Of the \$1.1 million available for Household Hazardous Waste Programs, \$900,000 was appropriated by the 1993 General Assembly to a new livestock waste management program for FY 1994.

ALTERNATIVES

The General Assembly may wish to review the Programs financed by the Groundwater Protection Fund to determine if changes should be made in the process used to expend moneys from the Fund, with the goals of reducing the annual ending balances in the accounts and increasing the amount of activity related to groundwater protection.

STAFF CONTACT: Jeff Robinson (Ext. 16767)

IOWA GROUNDWATER PROTECTION FUND

| | FY 1988 ACTUAL | FY 1989 ACTUAL | FY 1990 ACTUAL | FY 1991 ACTUAL | FY 1992 ACTUAL | FY 1993 ACTUAL * | TOTAL FY 88-93 | FY 1993 ENDING BAL |
|------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| BEGINNING BALANCE | \$ 557,636 | \$ 5,457,821 | \$ 5,671,023 | \$ 7,594,348 | \$ 7,310,610 | \$ 7,473,041 | | |
| STORAGE TANKS | 190,575 | 238,139 | 884,851 | 801,664 | 728,193 | 662,222 | 3,505,644 | |
| OIL OVERCHARGE | 5,530,000 | 4,000,000 | 3,300,000 | 2,700,000 | 2,080,000 | 345,000 | 17,955,000 | |
| HOUSE HAZARDOUS WASTE | 261,200 | 330,585 | 276,473 | 427,422 | 354,146 | 1,309,059 | 2,958,885 | |
| AGRICULTURE MANAGEMENT | 1,440,013 | 2,133,654 | 3,068,498 | 3,194,063 | 3,101,690 | 3,309,778 | 16,247,696 | |
| SOLID WASTE | 566,872 | 1,958,048 | 3,750,647 | 4,637,526 | 6,082,768 | 6,442,682 | 23,438,543 | |
| TOTAL RECEIPTS | \$ 7,988,660 | \$ 8,660,426 | \$ 11,280,469 | \$ 11,760,675 | \$ 12,346,797 | \$ 12,068,741 | \$ 64,105,768 | |
| TOTAL AVAILABLE | \$ 8,546,296 | \$ 14,118,247 | \$ 16,951,492 | \$ 19,355,023 | \$ 19,657,407 | \$ 19,541,782 | \$ 64,663,404 | |
| EXPENDITURES | | | | | | | | |
| STORAGE TANKS | 61,051 | 368,557 | 745,536 | 1,081,219 | 729,887 | 600,813 | 3,587,063 | 61,532 |
| OIL OVERCHARGE | 1,785,034 | 5,115,706 | 3,665,372 | 3,095,941 | 2,509,278 | 1,129,951 | 17,301,282 | 653,718 |
| HOUSE HAZARDOUS WASTE | 106,401 | 368,604 | 320,225 | 269,872 | 343,084 | 430,324 | 1,838,510 | 1,120,375 |
| AGRICULTURE MANAGEMENT | 829,118 | 1,828,059 | 2,621,905 | 3,240,834 | 2,934,552 | 2,999,905 | 14,454,373 | 1,793,321 |
| SOLID WASTE | 306,871 | 766,298 | 2,004,106 | 4,356,547 | 5,667,614 | 5,494,818 | 18,596,254 | 5,257,023 |
| TOTAL EXPEND | \$ 3,088,475 | \$ 8,447,224 | \$ 9,357,144 | \$ 12,044,413 | \$ 12,184,415 | \$ 10,655,811 | \$ 55,777,482 | |
| ENDING BALANCE | \$ 5,457,821 | \$ 5,671,023 | \$ 7,594,348 | \$ 7,310,610 | \$ 7,472,992 | \$ 8,885,971 | | \$ 8,885,969 |

* Minor adjustments may be made to FY 1993 until the books close on September 30.

STORAGE TANK ACCOUNT

| | FY 1988 ACTUAL | FY 1989 ACTUAL | FY 1990 ACTUAL | FY 1991 ACTUAL | FY 1992 ACTUAL | FY 1993 ACTUAL * | TOTAL FY 88-93 | FY 1993 ENDING BAL |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-----------------------|
| BEGINNING BALANCE | \$ 142,902 | \$ 272,426 | \$ 142,008 | \$ 281,323 | \$ 1,768 | \$ 123 | | |
| RECEIPTS | 190,575 | 238,139 | 884,851 | 801,664 | 728,193 | 662,222 | 3,505,644 | |
| TOTAL AVAILABLE | \$ 333,477 | \$ 510,565 | \$ 1,026,859 | \$ 1,082,987 | \$ 729,961 | \$ 662,345 | \$ 3,648,546 | |
| EXPENDITURES | | | | | | | | |
| DNR ADMINISTRATION | 35,051 | 367,557 | 62,739 | 153,544 | 168,322 | 89,944 | 877,157 | 61,416 |
| REMEDIAL CLEANUP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEPARTMENT OF HEALTH | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 6,000 | 0 |
| U.S.T. FUND | 0 | 0 | 681,797 | 616,889 | 560,565 | 509,869 | 2,369,120 | 116 |
| INSURANCE DIVISION | 25,000 | 0 | 0 | 0 | 0 | 0 | 25,000 | 0 |
| GENERAL FUND | 0 | 0 | 0 | 309,786 | 0 | 0 | 309,786 | 0 |
| TOTAL EXPEND | \$ 61,051 | \$ 368,557 | \$ 745,536 | \$ 1,081,219 | \$ 729,887 | \$ 600,813 | \$ 3,587,063 | |
| ENDING BALANCE | \$ 272,426 | \$ 142,008 | \$ 281,323 | \$ 1,768 | \$ 74 | \$ 61,532 | | \$ 61,532 |

STORAGE TANK FEES

| | | |
|----------|----|----------|
| FY 88-90 | 10 | ONE-TIME |
| FY 88-89 | 15 | ANNUAL |
| FY 90-93 | 65 | ANNUAL |

OIL OVERCHARGE ACCOUNT

| | FY 1988 ACTUAL | FY 1989 ACTUAL | FY 1990 ACTUAL | FY 1991 ACTUAL | FY 1992 ACTUAL | FY 1993 ACTUAL * | TOTAL FY 88-93 | FY 1993 ENDING BAL |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-----------------------|
| BEGINNING BALANCE | \$ 0 | \$ 3,744,966 | \$ 2,629,260 | \$ 2,263,888 | \$ 1,867,947 | \$ 1,438,669 | | |
| RECEIPTS | 5,530,000 | 4,000,000 | 3,300,000 | 2,700,000 | 2,080,000 | 345,000 | 17,955,000 | |
| TOTAL AVAILABLE | \$ 5,530,000 | \$ 7,744,966 | \$ 5,929,260 | \$ 4,963,888 | \$ 3,947,947 | \$ 1,783,669 | \$ 17,955,000 | |
| EXPENDITURES | | | | | | | | |
| BIG SPRINGS - DNR | 479,522 | 618,883 | 692,896 | 610,836 | 489,718 | 329,734 | 3,221,589 | 248,411 |
| DNR ADMINISTRATION | 81,040 | 818,408 | 814,402 | 549,391 | 682,042 | 214,016 | 3,159,299 | 35,701 |
| LANDFILL ALTERNATIVES | 60,738 | 1,217,424 | 232,841 | 77,674 | 3,286 | 18,037 | 1,610,000 | 0 |
| SOLID WASTE - DNR | 20,829 | 179,171 | 0 | 0 | 0 | 0 | 200,000 | 0 |
| RURAL WELL ASSESSMENTS | 281,908 | 271,238 | 6,854 | 0 | 0 | 0 | 560,000 | 0 |
| ABANDONED WELL EDUCATION - DALS | 0 | 23,070 | 90,958 | 75,356 | 3,337 | 71,819 | 264,540 | 35,460 |
| AG ENERGY MANAGEMENT FUND | 803,970 | 1,411,925 | 1,447,821 | 1,675,654 | 1,330,895 | 496,345 | 7,166,610 | 333,390 |
| ISWRRI - ISU | 19,781 | 99,463 | 92,970 | 107,030 | 0 | 0 | 319,244 | 756 |
| LEOPOLD CENTER - ISU | 37,246 | 476,124 | 286,630 | 0 | 0 | 0 | 800,000 | 0 |
| TOTAL EXPEND | \$ 1,785,034 | \$ 5,115,706 | \$ 3,665,372 | \$ 3,095,941 | \$ 2,509,278 | \$ 1,129,951 | \$ 17,301,282 | |
| ENDING BALANCE | \$ 3,744,966 | \$ 2,629,260 | \$ 2,263,888 | \$ 1,867,947 | \$ 1,438,669 | \$ 653,718 | | \$ 653,718 |

OIL OVERCHARGE FUNDS ARE FROM THE STRIPPER WELL AND EXXON ACCOUNTS.

HOUSEHOLD HAZARDOUS WASTE ACCOUNT

| | FY 1988 ACTUAL | FY 1989 ACTUAL | FY 1990 ACTUAL | FY 1991 ACTUAL | FY 1992 ACTUAL | FY 1993 ACTUAL * | TOTAL FY 88-93 | FY 1993 ENDING BAL |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|-------------------------------|
| BEGINNING BALANCE | \$ 0 | \$ 154,799 | \$ 116,780 | \$ 73,028 | \$ 230,578 | \$ 241,640 | | |
| RECEIPTS | 261,200 | 330,585 | 276,473 | 427,422 | 354,146 | 1,309,059 | 2,958,885 | |
| TOTAL AVAILABLE | \$ 261,200 | \$ 485,384 | \$ 393,253 | \$ 500,450 | \$ 584,724 | \$ 1,550,699 | \$ 2,958,885 | |
| EXPENDITURES | | | | | | | | |
| RECYCLING - DNR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WASTE MANAGEMENT ASSISTANCE | 96,401 | 139,980 | 136,347 | 101,155 | 89,338 | 196,421 | 759,642 | 0 |
| TOXIC CLEANUP DAYS | 0 | 226,624 | 181,878 | 166,717 | 251,746 | 231,903 | 1,058,868 | 220,375 |
| DEPARTMENT OF PUBLIC HEALTH | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 12,000 | 0 |
| USED OIL STUDY - DOT | 8,000 | 0 | 0 | 0 | 0 | 0 | 8,000 | 0 |
| LIVESTOCK NUTRIENT MANAGEMENT | | | | | | | | 900,000 |
| TOTAL EXPEND | \$ 106,401 | \$ 368,604 | \$ 320,225 | \$ 269,872 | \$ 343,084 | \$ 430,324 | \$ 1,838,510 | |
| ENDING BALANCE | \$ 154,799 | \$ 116,780 | \$ 73,028 | \$ 230,578 | \$ 241,640 | \$ 1,120,375 | | \$ 1,120,375 |

HOUSEHOLD HAZARDOUS WASTE FEE

ANNUAL FEE OF \$25 PER RETAILER OF HOUSEHOLD HAZARDOUS PRODUCTS

AG MANAGEMENT ACCOUNT

| | FY 1988 ACTUAL | FY 1989 ACTUAL | FY 1990 ACTUAL | FY 1991 ACTUAL | FY 1992 ACTUAL | FY 1993 ACTUAL * | TOTAL FY 88-93 | FY 1993 ENDING BAL |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|-------------------------------|
| BEGINNING BALANCE | \$ 0 | \$ 610,895 | \$ 916,490 | \$ 1,363,083 | \$ 1,316,312 | \$ 1,483,450 | | |
| INTEREST ** | | | | | 134,475 | | | |
| FERTILIZER LICENCE FEES ** | | | | | 733,376 | | | |
| PESTICIDE LICENSE FEES ** | | | | | 2,233,839 | | | |
| TOTAL RECEIPTS | <u>1,440,013</u> | <u>2,133,654</u> | <u>3,068,498</u> | <u>3,194,063</u> | <u>3,101,690</u> | <u>3,309,778</u> | <u>16,247,696</u> | |
| TOTAL AVAILABLE | <u>\$ 1,440,013</u> | <u>\$ 2,744,549</u> | <u>\$ 3,984,988</u> | <u>\$ 4,557,146</u> | <u>\$ 4,418,002</u> | <u>\$ 4,793,228</u> | <u>\$ 16,247,696</u> | |
| EXPENDITURES | | | | | | | | |
| DEPARTMENT OF PUBLIC HEALTH | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 54,000 | 0 |
| CHEECH - SUI | 79,000 | 191,219 | 275,355 | 286,668 | 278,329 | 294,995 | 1,405,566 | 2,075 |
| LEOPOLD CENTER - ISU | 430,932 | 743,552 | 1,070,824 | 1,114,821 | 1,082,393 | 1,147,204 | 5,589,726 | 8,068 |
| UNIVERSITY HYGIENIC LAB - SUI | 0 | 201,340 | 183,570 | 191,112 | 185,553 | 196,663 | 958,238 | 1,384 |
| RURAL WELL TESTING | 0 | 245,936 | 335,422 | 304,504 | 402,119 | 424,475 | 1,712,456 | 941,220 |
| WELL CLOSURE | 0 | 128,193 | 294,783 | 331,405 | 515,997 | 455,698 | 1,726,076 | 802,218 |
| WELL ADMINISTRATION - DNR | 126 | 11,037 | 41,931 | 74,606 | 59,129 | 45,766 | 232,595 | 20,250 |
| AG DRAINAGE WELLS | 310,060 | 276,177 | 397,735 | 414,076 | 402,032 | 426,104 | 2,226,184 | 2,997 |
| COUNTY CONSERVATION BOARDS | 0 | 21,605 | 13,285 | 0 | 0 | 0 | 34,890 | 15,109 |
| GENERAL FUND | 0 | 0 | 0 | 514,642 | 0 | 0 | 514,642 | 0 |
| TOTAL EXPEND | <u>\$ 829,118</u> | <u>\$ 1,828,059</u> | <u>\$ 2,621,905</u> | <u>\$ 3,240,834</u> | <u>\$ 2,934,552</u> | <u>\$ 2,999,905</u> | <u>\$ 14,454,373</u> | |
| ENDING BALANCE | <u>\$ 610,895</u> | <u>\$ 916,490</u> | <u>\$ 1,363,083</u> | <u>\$ 1,316,312</u> | <u>\$ 1,483,450</u> | <u>\$ 1,793,323</u> | | <u>1,793,321</u> |

** BREAKDOWN OF RECEIPTS AVAILABLE ONLY FOR FY 1992 AT THIS TIME

AG MANAGEMENT FEES

\$0.75 PER TON OF NITROGEN - BASED ON AN 82% SOLUTION - SECTION 200.8(4)
 PESTICIDE REGISTRATION FEE OF \$250-\$3,000. BASED ON ANNUAL IOWA SALES - SECTION 206.12(3)
 ANNUAL PESTICIDE DEALER'S LICENSE BASED ON ANNUAL IOWA SALES. THE MINIMUM FEE IS \$25 - SECTION 206.8(2)

SOLID WASTE ACCOUNT

| | FY 1988 ACTUAL | FY 1989 ACTUAL | FY 1990 ACTUAL | FY 1991 ACTUAL | FY 1992 ACTUAL | FY 1993 ACTUAL * | TOTAL FY 88-93 | FY 1993 ENDING BAL |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-----------------------|
| BEGINNING BALANCE | \$ 414,734 | \$ 674,735 | \$ 1,866,485 | \$ 3,613,026 | \$ 3,894,005 | \$ 4,309,159 | | |
| RECEIPTS | 566,872 | 1,958,048 | 3,750,647 | 4,637,526 | 6,082,768 | 6,442,682 | 23,438,543 | |
| TOTAL AVAILABLE | \$ 981,606 | \$ 2,632,783 | \$ 5,617,132 | \$ 8,250,552 | \$ 9,976,773 | \$ 10,751,841 | \$ 23,853,277 | |
| EXPENDITURES | | | | | | | | |
| SOLID WASTE - DNR | 156,424 | 232,068 | 235,390 | 929,386 | 1,104,122 | 1,283,383 | 3,940,773 | 125,742 |
| FOUNDRY SAND - UNI WRC | 0 | 0 | 0 | 58,441 | 70,198 | 0 | 128,639 | 1,361 |
| WASTE MANAGEMENT - DNR | 100,447 | 163,321 | 180,316 | 0 | 0 | 0 | 444,084 | 0 |
| DEPARTMENT OF HEALTH | 0 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 40,000 | 0 |
| WASTE REDUCTION CENTER - UNI | 50,000 | 274,211 | 349,976 | 463,783 | 466,922 | 390,466 | 1,995,358 | 0 |
| GRANTS - LANDFILL ALTERNATIVE | 0 | 58,184 | 983,858 | 1,679,150 | 3,938,083 | 2,772,502 | 9,431,777 | 3,653,064 |
| GRANTS - LANDFILL PLANS | 0 | 30,514 | 170,225 | 79,222 | 0 | 0 | 279,961 | 3,475 |
| GRANTS-WATER SUPPLY | 0 | 0 | 76,341 | 51,206 | 14,171 | 0 | 141,718 | 0 |
| WASTE EXCHANGE | 0 | 0 | 0 | 0 | 16,118 | 205,047 | 221,165 | 122,831 |
| HHW PERMANENT SITES | 0 | 0 | 0 | 0 | 0 | 285,000 | 285,000 | 230,993 |
| HHW TRANSPORTATION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 171,997 |
| TOXIC CLEANUP DAYS | 0 | 0 | 0 | 0 | 0 | 240,420 | 240,420 | 189,575 |
| RECYCLING LOANS | 0 | 0 | 0 | 0 | 0 | 215,000 | 215,000 | 730,988 |
| DED TRANSFER | 0 | 0 | 0 | 0 | 50,000 | 95,000 | 145,000 | 26,997 |
| GENERAL FUND | 0 | 0 | 0 | 1,087,359 | 0 | 0 | 1,087,359 | 0 |
| TOTAL EXPEND | \$ 306,871 | \$ 766,298 | \$ 2,004,106 | \$ 4,356,547 | \$ 5,667,614 | \$ 5,494,818 | \$ 18,596,254 | |
| ENDING BALANCE | \$ 674,735 | \$ 1,866,485 | \$ 3,613,026 | \$ 3,894,005 | \$ 4,309,159 | \$ 5,257,023 | | \$ 5,257,023 |

SOLID WASTE TONNAGE FEES

| | | |
|---------|---------|---------|
| FY 1988 | \$ 0.25 | PER TON |
| FY 1989 | \$ 1.50 | PER TON |
| FY 1990 | \$ 2.00 | PER TON |
| FY 1991 | \$ 2.50 | PER TON |
| FY 1992 | \$ 3.75 | PER TON |
| FY 1993 | \$ 4.25 | PER TON |